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ABSTRACT

Background and legal requirements for disclosure and counseling of students receiving loans under the federal student loan programs are discussed. A definition of loan counseling, a decision-making model for creating an institutional program, and information on loan consolidation are provided. Following introductory and background sections, the legal requirements for loan counseling and disclosure are summarized for Title IV Programs (Guaranteed Student Loans, Parent Loans for Undergraduate Students, Supplemental Loans for Students, and Perkins Loans) and for the health programs (Health Educational Assistance Loans, Nursing Student Loans, and Health Professions Student Loans). A section on an educational approach to loan counseling includes debt management; personal financial planning; and integrated, hierarchical program; and a decision-making model. The appendices provide tools and references for conducting loan counseling, including summary charts, sample forms, a self-evaluation checklist, and selected resources. (KM)

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LOAN COUNSELING:
REQUIREMENTS AND GOOD PRACTICE

NASFAA MONOGRAPH SERIES
NUMBER VI NOVEMBER 1987

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Washington, D.C.
1987

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Joseph Sciame
1987-88 National Chairman

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I. Introduction

In 1984, NASFAA published a monograph entitled, Stages in the Development of a Financial Counseling and Debt Management Model. The basic concepts conveyed in the monograph are as useful today as they were when first published. Applicable though the concepts are, the administration of student financial assistance has become increasingly complex. With regard to loan counseling for students who borrow from federal programs, law and regulation must now also be taken into account along with principles of good practice.

Specifically, the Higher Education Amendments of 1986 mandate loan counseling at the institutional level for all students borrowing from the Guaranteed Student Loan (GSL), Supplemental Loan for Students (SLS) and Perkins (NDSL) Loan programs as well as requiring the school to make certain disclosures for any Title IV funds it lends directly. In addition, regulations published in January of 1987 by the Department of Health and Human Services stipulate that schools must conduct entrance and exit interviews annually for Health Educational Assistance Loan (HEAL) borrowers. In order to make this monograph as complete as possible, the disclosure and counseling requirements for the Nursing Student Loan (NSL) and Health Professions Student Loan (HPSL) programs that have been in place since September, 1985, and augmented for HPSL as of June, 1986, also are included.

In acknowledgement of the need to educate students about their indebtedness and at the same time remain in compliance with federal requirements, Ruth Beer Bletzinger, 1987-88 Chair of NASFAA's Federal Aid Programs Committee, and NASFAA staff have developed this monograph. Its purpose is to update the material first presented in the 1984 monograph, to reaffirm the importance of helping students deal with the repayment of their loans, and to help the financial aid community fulfill the necessary conditions for loan counseling as now prescribed by the federal government.

To this end, the following pages contain some background, the legal requirements for such counseling, a definition of loan counseling along with a decision-making model for creating an institutional program, and information on loan consolidation. The appendices contain useful tools and references for conducting loan counseling, including summary charts, sample forms, a self-evaluation checklist, and selected resources on this topic.

II. Background

Several factors have contributed to the addition of loan counseling to the other roles performed by the financial aid office. Not the least of these is the shift over the last fifteen years from grants to loans as the primary source of student assistance along with increases in both dollar and borrower loan volume.[1] The potential impact a population burdened with educational indebtedness will have on the well-being of the individual and the national economy has also become a matter of concern.[2]

It is Congress' intent that loan counseling help reduce the level of borrowing for any given student, prevent default on a large scale, and reduce the potential negative impact of educational indebtedness. What entity should have the primary responsibility for loan counseling has been the subject of some debate. The Federal Aid Programs Committee maintains that the effort must be a partnership among those who benefit. Specifically, the beneficiaries are the federal government, the guarantee agencies, the lenders, the educational institutions, and the students.

The government benefits from the stability and prosperity resulting from an educated population; the guarantee agencies and the lenders benefit financially; the educational institutions are able to remain open because loans permit students to pay for tuition as well as living costs; the students benefit from the education they attain. There seems to be no greater *quid pro quo* than this one.

As a result of the value society places on education and the significant borrowing that many individuals must assume to attain that education, emphasis must now also be placed on the repayment of financial aid (i.e. loans) as well as its distribution. We must focus at least some of our efforts in this area because law and regulation demand that we do so. Beyond governmental mandate, however, we must also consider ourselves educators as well as administrators because the loans our students obtain now may have as much of an affect on their futures as the education they are receiving with those loans.

The next section reviews the minimum legal requirements for loan counseling for Title IV loans (GSL, PLUS, SLS, Perkins), the Health Education Assistance Loan (HEAL), the Nursing Student Loan (NSL) and the Health Professions Student Loan (HPSL). Appendix A contains an itemization of these requirements in tabular format and also includes additional general information requirements. Appendix B provides student loan information for the health programs.

III. Legal Requirements for Loan Counseling and Disclosure

Title IV Programs (GSL, PLUS, SLS, Perkins)[3]

The Higher Education Amendments of 1986 require that certain information be provided to the borrower at specific times. Namely, the lender must make disclosures to the borrower prior to disbursement and prior to repayment; the educational institution must conduct exit counseling at the point the borrower separates from the school.

The format in which the information is presented is also dictated. For instance, the lender disclosure prior to disbursement must be conducted in writing through either the application, the promissory note, or as a separately written document provided to the borrower. The lender disclosure prior to repayment must also be distributed to the borrower in writing through either the promissory note or a separately written document. The exit counseling by the educational institution, on the other hand, should be conducted in person with the borrower, either individually or in groups. If the borrower separates from the school without the prior knowledge of the institution, the counseling may be done in writing.

The remainder of this section provides the HEA disclosure requirements for Title IV lenders as well as the exit counseling that must be conducted by the educational institution.

Lender Requirements for Disclosure Prior to Disbursement

The lender disclosure requirements prior to disbursement of GSL, PLUS, SLS, and Perkins Loans are as follows.

1. Name of the lender and the address to which repayments and communications should be forwarded;
2. Principal amount of the loan;
3. Amount of any charges (e.g. origination fee, insurance premium) collected by the lender prior to disbursement and whether they are deducted from the proceeds or paid separately by the borrower;
4. Stated interest rate on the loan;
5. Yearly and cumulative maximum amounts that may be borrowed;
6. Explanation of when repayment of the loan will be required and when the borrower will be obligated to pay interest that accrues on the loan;
7. Minimum and maximum repayment terms that the lender may impose and the minimum annual payment required by law;
8. Statement of total cumulative balance including the loan applied for, owed by the student to that lender, and estimate of projected monthly payments based on the cumulative balance;
9. Explanation of special options for loan consolidation or other refinancing;
10. Statement of borrower's right to prepay without penalty, deferment options of principal and interest, and repayment program on the basis of military service (section 902 of the Department of Defense Authorization Act, 1981, 10 U.S.C.2141, note);
11. Definition of default and the consequences of default to the borrower including a statement that the default will be reported to a credit bureau or credit reporting agency;
12. Explanation of the effect of accepting the loan on the borrower's eligibility for other student assistance; and
13. Explanation of any cost the borrower may incur in the making or collection of the loan.

Institutions making Perkins Loans must also provide the borrower with a description of any penalty imposed as a consequence of default, such as liability for expenses reasonably incurred in attempts by the Secretary or by institutions to collect on a loan.

In addition to these disclosures, the GSL, PLUS, and SLS lenders (not Perkins lenders) must also supply the borrower with a separate paper that summarizes "in plain English" the borrower's rights and responsibilities with respect to the loan and the consequences of defaulting on the loan including reporting the default to a credit bureau or credit reporting agency.

Institutions must inform eligible GSL and SLS borrowers about the availability and their eligibility for state grant assistance from the state in which the institution is located and the source of such information in the borrower's home state.

GSL lenders must also disclose the amount of the origination fee and how it was calculated.

Lender Requirements for Disclosure Prior to Repayment

The lender disclosure requirements prior to repayment of GSL, PLUS, SLS, consolidation loans, and Perkins Loans are as follows.

1. The name of the lender and the address to which repayments and communications should be forwarded;
2. The scheduled date upon which the repayment period is to begin;
3. The estimated balance, including capitalized interest if applicable, owed on the loan as of the date repayment begins;
4. Interest rate on loan(s), or the combined interest rate of loans with different stated interest rates;
5. Nature of fees which may accrue or be charged to the borrower during the repayment period;
6. Repayment schedule including when the first payment is due, and the number, the amount, and the frequency of required payments;
7. Explanation of any special options for loan consolidation or other refinancing along with availability and terms of these options (Explanation is not necessary if the loan being made is a consolidation loan);
8. Projected total interest charges the borrower will pay on the loan or loans, assuming that the borrower makes payments exactly in accordance with the repayment schedule; and
9. Statement that the borrower has the right to prepay all or part of the loan or loans covered by the disclosure at any time without penalty.

The law also states that there may be no charges associated with the information disseminated prior to disbursement and repayment. GSL, PLUS, or SLS lenders may be limited, terminated, or suspended from participation from the given Title IV program for failure to provide the disclosures. Nonetheless, the law does not absolve the borrower from the repayment of the loan in compliance with its terms and conditions if the lender fails to make the disclosures.

School Requirements for Exit Counseling

The exit counseling for borrowers that must be conducted by the educational institution is described in Section 485(b) of the law as follows:

"(b) EXIT COUNSELING FOR BORROWERS.-- Each eligible institution shall, through financial aid officers or otherwise, make available counseling to borrowers (individually or in groups) of loans which are made, insured, or guaranteed under part B of this title (other than loans made pursuant to section 428B) or made under part E of this title prior to the completion of the course of study for which the borrower enrolled at the institution or at the time of departure from such institution. The counseling required by this subsection shall include--

(1) general information with respect to the average indebtedness of students who have loans under part B or part E; and

(2) the average anticipated monthly repayments, a review of the repayment options available, together with such debt and management strategies as the institution determines are designed to facilitate the repayment of such indebtedness.

In the case of a borrower who leaves an institution without the prior knowledge of the institution, the institution shall attempt to provide the information to the student in writing."

Exit counseling shall be conducted for all students who borrow under Title IV loan programs, except for the parents who borrow under the PLUS Program. The counseling should be done in person either individually or in groups unless the borrower leaves without the knowledge of the school. In this case, the school "shall attempt to provide the information to the student in writing." The counseling must include:

a. General information on the average indebtedness of students who have Title IV loans -- The law does not define exactly what figures to use. As a result, this information could be student-, institution-, or discipline-specific. A reasonable alternative might be to use institution-specific data by year [e.g., 1987 graduating class has an average indebtedness of $xxx].

b. Average anticipated monthly repayments -- The law is not specific. It would be reasonable to base average repayment figures on the average indebtedness figures used by the institution. The *Calculating Monthly Repayments* chart included as Appendix M will assist in determining monthly repayments for students.

c. Review of the repayment options -- Again, the law does not define what repayment options are but they would reasonably include loan consolidation, deferment provisions, and forbearance conditions.

d. Review of debt and management strategies that should facilitate the repayment -- Although the law does not specify the strategies that should be communicated to the borrower, they may include information on short and long term budgeting, managing consumer credit, keeping good records of loans and lenders as well as keeping track of when deferment forms must be filed or payments must be made, and refinancing options such as loan consolidation.

Documentation that the exit counseling has been conducted should be included in individual student files.

The law does make specific reference to the borrower's obligation to repay Title IV loans. The law states that the borrower is not relieved of his/her "obligation to repay a loan in accordance with its terms" if the lender fails to comply with the disclosure requirements. Given the same circumstances, the borrower is also not given grounds to "claim for civil damages." This is a very important concept to consider as a school develops a loan counseling protocol.

Health Programs

Disclosures are also required for health loan programs, specifically, for the Health Education Assistance Loan (HEAL), Health Professions Student Loan (HPSL), and Nursing Student Loan (NSL) programs. These are detailed in the following paragraphs and summarized in Appendix B.

Health Education Assistance Loans[4]

The HEAL regulations of 1987 place significant emphasis on loan counseling with primary responsibility resting with the educational institution. Although HEAL lenders must provide disclosures in compliance with Truth-In-Lending legislation (unlike GSL and SLS), the educational institutions must conduct annual entrance interviews as well as exit interviews. The school and lender loan counseling responsibilities appear below.

HEAL Lender Requirements for Providing Information to Borrowers

The HEAL lender responsibilities include the following.

1. Notifying the borrower and the school if the borrower is not sufficiently creditworthy to be eligible for a HEAL loan;
2. Contacting the borrower between 30 and 60 days prior to the commencement of repayment;
3. Contacting the borrower every six months with information on interest accrual, balance owed, principal outstanding, and that prepayment can be made without penalty;
4. Granting forbearance in hardship cases unless the lender determines, and the Secretary of Health and Human Services agrees, that the borrower will inevitably default;
5. Informing the borrower through the promissory note when the loan is made, of:
   a. amount financed
   b. how interest accrues;
   c. insurance premiums charged;
   d. no penalty if the borrower wishes to prepay;
   e. repayment requirements;
   f. circumstances under which a credit reporting agency will be used;
   g. how late charges are assessed;
   h. deferment options;
   i. cancellations due to death and disability;
   j. forbearance requirements;
   k. consequences of default;
   l. student rights and responsibilities under the HEAL Program; and
   m. warning about borrower misrepresentation.
6. Informing the borrower through the disclosure statement when the loan is made, of:
   a. name of the lender and the address to which correspondence and payments must be sent;
   b. amount financed;
   c. annual percentage rate (APR);
   d. amount of charges;
   e. circumstances under which late fees are charged; and
   f. no penalty for prepayment.
7. Informing the borrower through the disclosure statement when the loan is about to go into repayment of:

a. name of the lender and the address to which correspondence and payments must be sent;
b. itemization of loans borrowed including the date and the original principal balances;
c. annual percentage rate (APR) with a statement that for variable rate loans the APR may increase or decrease over the life of the loan;
d. finance charges;
e. current amount financed;
f. total cost of repayment including amount borrowed, interest paid, and finance charges;
g. repayment schedule including number of payments, amount of monthly payments and when payments begin;
h. no penalty for prepayment;
i. late charges that may or must be assessed; and
j. warning about misrepresentation in the transaction.

School Requirements for HEAL Entrance and Exit Loan Counseling

The school is responsible for both entrance and exit loan counseling. The requirements are fairly specific.

For the entrance interview, the requirements are as follows.

1. The interview must be conducted prior to the disbursement of the borrower's first HEAL check in each academic year.
2. The interview may be conducted in person either individually or in groups.
3. The interview may be conducted by mail if an in-person interview is not practical.
4. Documentation that the interview has taken place must be maintained in the student file.
5. "Personal information" for lender skip-tracing purposes must be gathered during the interview and maintained in the student file in case the lender needs such information to locate the borrower if s/he leaves school without an exit interview.
6. The borrower must be informed of his/her HEAL rights and responsibilities during the entrance interview.
7. The borrower must also be informed of the consequences of not complying with those rights and responsibilities such as penalties for late payments, garnishment of IRS tax refunds in case of defaults, reporting defaults to credit reporting agencies, and so forth.

The exit interview requirements are very similar although some elements differ from the entrance interview.

1. The exit interview must be conducted in the borrower's last academic term prior to graduation or anticipated separation.
2. The interview may be conducted in person, either individually or in groups.
3. The interview may be conducted by mail with notification to the lender within 30 days of the school's knowledge of the borrower's separation in cases when the borrower leaves unexpectedly.
4. The interview may be conducted by mail with notification to the lender within 30 days of the school's anticipated date of the borrower's departure if the borrower leaves without an exit interview.
5. Information in the exit interview must include:
   a. borrower's HEAL rights and responsibilities
   b. consequences of non-compliance with the rights and responsibilities

c. borrower's need to contact the lender regarding the specific terms and conditions of the loan. (Borrowers are required to do so within 30 to 60 days prior to the commencement repayment.)

6. "Personal information" must be gathered during the interview that can be used by the lender for skip-tracing purposes.
7. Documentation of the exit interview must be forwarded to the lender within 30 days of the interview, along with the "personal information" gathered.
8. If the interview is conducted by mail, the borrower must be instructed to forward the interview directly to the lender. As noted in number's 3 and 4 above, the school must notify the lender within 30 days of the borrower's actual separation that the interview material has been sent.
9. Documentation that the exit interview was conducted or forwarded to the borrower must be maintained in the borrower's file.

The school is responsible for contacting the lender within 30 days if there is a change of name, address, or enrollment status. That correspondence must include the borrower's name, social security number, date of change of status, last known temporary and permanent address and other information that is deemed useful to locate the student.

Health Professions Student Loans and Nursing Student Loans[5]

The Health Professions Training Assistance Act of 1985 that became effective June 30, 1986 requires that prior to disbursement of each Health Professions Student Loan (HPSL), the borrower must be informed of his/her rights and responsibilities. "Personal information" to be used for skip-tracing must also be collected at this time. Entrance and exit interviews have been required since the publication of regulations in August, 1985, that became effective on September 23, 1985.

Entrance and exit interviews are also prescribed for the Nursing Student Loan (NSL) Program by separate regulations set forth in August, 1985 and effective September 23, 1985. Although the disclosure requirements are not explicitly stated for the NSL Program, good practice and Truth-in-Lending requirements would indicate that the same procedures should be followed.

This information is also included in Appendix B.

Disclosure and Entrance Counseling Requirements Prior to Disbursement of HPSL & NSL

The succeeding list relates the information that must be disclosed to or collected from the student prior to disbursement of an HPSL or NSL.

1. To be included with the promissory note:
   a. school's name and address to which correspondence and payments should be sent;
   b. amount financed;
   c. terms and conditions of repayment;
   d. maximum number of years of repayment;
   e. interest rate;
   f. minimum monthly payment;
   g. fees that the lender may charge the borrower, including late fees;
   h. options for deferral, cancellation, prepayment, loan consolidation and other refinancing; and

i. definition of default and the consequences thereof to the borrower including reporting the default to credit bureaus.

2. Information included in a statement separate from the promissory note:
   a. annual and cumulative borrowing maximums;
   b. the effect, if any, of accepting the HPSL on elibility for other student assistance;
   c. actions that may be taken by the federal government to collect the loan, such as:
      - obtaining the borrower's address from the IRS;
      - refering the loan to a collection agent;
      - reporting the delinquency or default to credit bureaus;
      - initiation of legal action against the borrower;
      - offsetting the salary of the borrower who is a federal employee;
      - withholding funds from the federal government that are payable to the borrower
      - disclosing any relevant information held by the school or the federal government to those involved in the collection of the loan
   d. borrower's rights and responsibilities
      - the borrower must sign the rights and responsibilities; and
      - the school must maintain a copy of the signed statement.
   e. "personal information" must be collected from the student that can be used for skip-tracing purposes.

Disclosure and Exit Counseling Requirements Prior to Repayment of HPSL & NSL

The following information must be provided to the borrower immediately prior to graduation or anticipated separation.

1. An itemization of the amount of each HPSL and NSL loan borrowed (including pre-disbursment items 1a-1e, 2c, and 2d; item 2e is optional at the exit interview if information is obtained at the entrance interview);
2. The total amount borrowed under HPSL; and
3. The repayment schedule which includes:
   a. the number of payments;
   b. the amount of payments;
   c. the frequency of the payments.

To help financial aid administrators remain in minimal compliance with Title IV, HEAL, NSL, and HPSL requirements for loan counseling, the Appendices contain sample forms that may be adopted or adapted by the institution.

IV. An Educational Approach to Loan Counseling[6]

Even though law and regulation define what we are supposed to do to remain in compliance with federal loan counseling requirements, loan counseling is actually not very well defined. By the same token, we might also question the definition of debt management or personal financial planning.

These three terms -- loan counseling, debt management, personal financial planning -- are generally used interchangeably in financial aid parlance. This confuses the whole of issue of loan counseling from an educational perspective because the terms do not refer to the same thing.

Unless we can define these terms, we cannot distinguish one from the other. Nor can we determine how they are related. The ability to distinguish and relate them permits us to develop loan education programming for our students in our role as educators as well as administrators who must maintain the institution in compliance with federal directives.

The remainder of this section will focus on working definitions of loan counseling, debt management, and personal financial planning. It will also provide a model to help financial aid administrators make decisions about how simple or elaborate the loan education program should be at their institution.

Loan Counseling

Definition: The opportunity for an individual who has or will assume loans to obtain pertinent information from a knowledgeable party and for that individual to also have the opportunity to ask questions and clarify his or her understanding of the effects of obligating future income.

The definition contains three components.

1. The Information;
2. The Provider of the Information; and
3. The Receiver of the Information.

The *Information* that would be useful in loan counseling appears below. Much, although not all, of the information that is appropriate in conducting loan counseling is already mandated by current law or regulations.

The *Provider* must be the educational institution according to legal requirements, but any knowledgeable and interested party may be a provider as well. Lending institutions and guaranty agencies are good examples. In fact, a number of them have begun to publish some very good material to help in this effort. A few are noted in the bibliography at the end of this report.

Many of the features included in loan counseling are listed below.

1. Name and address of lender(s)
2. The principal amount of the loan and any charges (e.g., origination fee, insurance fee)
3. Annual and cumulative amounts that may be borrowed
4. Interest rate, when interest beings to accrue, if it compounds, when it must be paid

5. Repayment schedule, minimum and maximum repayment period, when repayments must begin
6. Statement of cumulative balance to date and an estimate of monthly payments, total cost to the borrower of taking the loan
7. Available refinancing options (e.g., loan consolidation, deferments, forbearance, any other refinancing options)
8. Right of borrower to prepay Title IV loans without penalty
9. Definition and consequences of default including report to credit bureau or credit reporting agency
10. Affects of taking the loan on eligibility for other assistance
11. General information about average indebtedness of students at the institution
12. Average anticipated monthly repayments
13. Review of repayment options
14. Debt management strategies to facilitate repayment
15. Importance of maintaining contact with lenders
16. Importance of maintaining accurate and accessible records of debt
17. Importance of budgeting
18. Potential impact of debt on personal and career goals

Finally, we have the *Receiver* who is, of course, the borrower or potential borrower. It is important to note that while the Provider must be an active component in the dynamic of loan counseling by directing information, the Receiver need not be active. That is, the Receiver may choose not to read or listen to the information that is offered. S/he may indeed choose, on the other hand, to take advantage of the opportunity to ask questions and clarify concerns which is how therapeutic counseling is defined.

If the Receiver/Borrower chooses not to actively participate in the loan counseling process, then debt management cannot occur.

Debt Management

Definition: The borrower's ability and desire to control the level of his or her indebtedness along with an equal ability and desire to repay the loans that have been assumed.

Again, there are three components -- the Information, the Provider, and the Receiver.

The Provider need not be active, although the more accessible the information the easier the task for the Receiver. The categories of material that are useful to help someone develop debt management skills are:

1. Budgeting
   a. monthly budget -- planning and monitoring
   b. annual budget -- planning and monitoring
   c. balancing checkbook -- ongoing on monthly basis
2. Alternatives to borrowing/methods of reducing expenditures
   a. outside grants
   b. roommates
   c. rooms-for-service
   d. living with parents
   e. working
3. Managing credit

It is paramount, however, that the Receiver/Borrower is active. Only the borrower can manage her/his debt no matter how good or easily obtained the information designed to help her/him is. That is why the ability and desire to control levels of debt and to repay it are equally important.

The ability to manage debt might be categorized along quantative lines. Traditional wisdom has slated 5 percent or 15 percent debt-to-income ratio as the magic figure not be exceeded if default is to be avoided.[7] More recent and sophisticated models such as those produced by Horch and Popik customize the debt-to-income ratio based on such factors as the income stream of the borrower, the prevailing rate of inflation, and the availability of alternative repayment options.[8] [9]

The desire, representing a qualitative aspect to debt management, is arguably as important as any quanitative factor. Such entities as the Massachusetts Loan Counseling Task Force and the California Student Aid Commission believe that borrower values and attitude are as critical to the success of repaying loan obligations as income and level of debt.[10] [11] These qualitative features include the borrower's willingness to learn how to budget, modify lifestyle, and delay material gratification in order to fulfill his/her loan.

It should be noted here that debt management may also be viewed as somewhat controllable by the institution in terms its policies toward tuition increases, financial aid packaging, and institutional loan forgiveness programs.[12] [13] The facet of debt management reflected in this monograph, however, is from the perspective of an educational model. The combination of the institution's fiscal approach and educational approach obviously work hand-in-glove in helping students deal with borrowing.

Personal Financial Planning

Definition: An individual's deliberate, knowledgeable effort to create short and long term plans in order to remain financially solvent and achieve other financial and personal goals now and in the future.

The Information, the Provider, and the Receiver are still the essential components for personal financial planning, as they are for loan counseling and debt management. The elements to assist an individual in becoming competent in personal financial planning are more encompassing than loan counseling or debt management. In fact, debt management may be viewed as a subset of personal financial planning. Some of the elements of personal financial planning are listed here.

1. Short and long term goal setting -- (N.B., A long term goal for one person may be a short term goal for another. For instance, one couple may want children immediately while another may view starting a family as several years off.)
   a. educational ambitions
   b. family intentions
   c. career plans
   d. lifestyle desires
   e. retirement options
2. Tax planning
3. Investment planning
4. Insurance planning
5. Estate planning
6. Retirement planning

In any event, as with debt management, the Provider need not be active although it is obviously more helpful to the Receiver if the necessary information is readily directed. Nonetheless, the onus is still on the Receiver to deal with the information that is available, seek out additional information as well, and then make plans for the short and long term based both on the Receiver's desires for him/herself and an assessment of the environment.

An Integrated Hierarchy

By perceiving loan counseling, debt management and personal financial planning as described in this section, the groundwork is laid for an integrated, hierarchial, educational program that is geared to preventing students from defaulting or leading financially debilitated lives. In other words, through this educational hierarchy, sufficient general and specific information is offered to students about educational loans, fiscal responsibility, and environmental factors so that they can help themselves make decisions that allow the attainment of their ambitions without jeopardizing the repayment of their financial obligations.

Certainly, we cannot control what a student will or won't do with information, material, and programs that we may design. That is not reason enough, however, to discard our role as educators in this process. Even if all we can do at our own institution is the minimal legal requirements for loan counseling, it can still be accomplished within the context of an educational, not just administrative, effort.

To assist institutions in assessing how extensive their program can be, a decision-making model called "POTROCD" should be of help.

POTROCD

POTROCD stands for purpose, objective, timeframe, resources, options, contingencies, and decision.[14] A model that can be used for developing any student services program, it is particularly applicable in this situation. When using POTROCD to develop an institutional loan counseling protocol, there are number of issues to consider. They are listed below.

P (purpose)
1. Prevention of default;
2. Quality of lifestyle.

O (objective)
1. Minimum legal requirements;
2. More than minimum legal requirements;
3. How much more?
   a. Loan counseling;
   b. Debt management; and
   c. Personal financial planning.

T (time frame)
1. Legal requirements
   a. July 1, 1987: Perkins, GSL, PLUS, SLS
   b. April 8, 1987: HEAL
   c. September 23, 1985 & June 30, 1986: HPSL
   d. September 23, 1985: NSL
2. More than legal requirements: determined by institution

R (resources)
1. Commitment of the institution to loan counseling, debt management, and personal financial planning;
2. Staff;
3. Time;
4. Money.

O (options)
1. Increase staff, equipment to fulfill objectives;
2. Campaign superiors to commit resources;
3. Reduce efforts in other areas to achieve objectives;
4. Reassess objectives:
   a. To fulfill objectives with limited resources and time frame;
   b. To reduce scope of objectives due to resources and time frame.

C (contingency) Minimum compliance with legal requirements.

D (decision) Based upon considerations above, the institution makes a decision about the extent of its program and then is able to determine and implement the specific components.

Whether using POTROCD as the framework for making a decision or another method, the institution should consider not only the content to be transmitted but also the population it wishes to target.[15] For instance, does the school intend only to counsel currently enrolled students, or is outreach to applicants or alumni also important? In addition to content and population, the school must also decide what media to use. Media include personal counseling, written material, seminars, telephone hotlines, and so forth.[16]

V. Loan Consolidation[17]

Loan consolidation has been mentioned throughout this report as a method for managing educational indebtedness. This section describes in general terms the loan consolidation program authorized by the Higher Education Amendments of 1986 that replaced the earlier OPTIONS consolidation program. Although the law mandates certain parameters for loan consolidation, the plans offered may differ substantially from provider to provider. Providers are identified in the law as eligible lenders and guarantors and the Student Loan Marketing Association (Sallie Mae).

The consolidation loan may be used to *replace* any combination of four federal student loans: Guaranteed Student Loans (GSL), Supplemental Loans for Students (SLS; formerly Auxiliary Loans to Assist Students or ALAS), Perkins Loans (formerly National Direct Student Loans or NDSL), and Health Professions Student Loans (HPSL). All loans must be in repayment or in the grace period, and none may have past due payments greater than 90 days. Borrowers may not consolidate the Nursing Student Loan (NSL), Health Education Assistance Loan (HEAL), or other institutional and private loans. [Note: The HEAL may be "administratively" consolidated so that the borrower can include HEAL payments in the same check with other consolidated loans.]

Under the consolidation loan program, the lender issues a consolidation loan in the combined amount of the outstanding principal and accrued interest of all loans which are to be consolidated, and then pays off the original lenders of those loans in full. In this manner, the borrower then makes a single monthly payment rather than the two, three, or more separate payments which may have been necessary under the original loan schedules. Moreover, the Higher Education Amendments of 1986 provide for the following additional options, at the discretion of the lender:

1. Extended repayment (more than ten years);
2. Graduated repayment (smaller repayments in the early years and larger payments in the later years); and
3. Income-sensitive repayment (repayments as a percentage of the borrower's income).

The maximum repayment period may not exceed twenty-five (25) years, but it will vary depending upon the total amount of the borrower's educational loans (including non-consolidated loans such as HEAL, NSL, and institutional and private loans), regardless of whether they are actually being consolidated. Although the final determination is slightly more complex, the following table provides a general estimate of the longest possible repayment:

Total Loans	Years to Repay
$ 5,000 to 7,499	10 (at least $5,000 must be GSL/SLS)
$ 7,500 to 9,999	12
$10,000 to 19,999	15
$20,000 to 44,999	20
$45,000 or more	25

These extended payments and other options such as graduated or income-sensitive repayment may make it easier to repay loans because the monthly payments will be smaller. However, the total cost of borrowing will be greater. To give just one example, consider the borrower with $15,000 in GSL and $10,000 in NDSL. Under conventional repayment, the two monthly

payments would be approximately $288 and the total principal and interest would be repaid in ten years at a total cost of $34,570. Under the least costly option (twenty-year, level payment) a $25,000 consolidation loan at 9 percent interest (see item 1 below), would result in a 22 percent reduction in the monthly payment to $225, but the total cost would increase by 56% to $53,980. Graduated payment options would produce even lower monthly payments but the total costs would be greater still.

However, the *real* cost of the consolidation loan may be made even greater by the following four factors:

1. The rate of interest on the consolidation loan will be the weighted average of the rates of the original loans (to the nearest whole percent), but it cannot be less than 9 percent. Thus, a borrower who consolidates $5,000 of GSL (8 percent) and $15,000 of SLS/ALAS (12 percent) would receive a consolidation loan for $20,000 at 11 percent interest. However, a borrower who combines any amounts of GSL (whether 7 percent, 8 percent, or 9 percent), NDSL (3 percent, 4 percent, or 5 percent), or HPSL (3 percent, 7 percent, or 9 percent) will have a consolidated rate of 9 percent, the lower rates of the original loans notwithstanding.

2. The borrower surrenders many deferment options from the original loans, including Armed Forces, Public Health Service, National Oceanic and Atmospheric Administration Corps, Peace Corps, and VISTA; internships and residencies; and parental leaves. The only permissible deferments for consolidation loans are for full-time study (half-time if the student borrows *additional* GSL or SLS), temporary and total disability, and unemployment.

3. During the three permissible deferments (noted above), only *principal* may be deferred. This means that interest will continue to accrue and must be paid during the deferment period. For this reason, borrowers should delay consolidation until they have completed those deferments for which they expect to qualify. For example, a college graduate who consolidated $10,000 in GSL and $2,000 in NDSL before entering a divinity or law school would pay an additional $2,700 in interest than if the loans had been consolidated after those three years of further study.

4. The borrower surrenders all NDSL cancellation privileges such as teaching low-income, pre-school, or handicapped children, or military service in an area of hostilities.

Borrowers who wish to secure a consolidation loan should first consult any or all of their current lenders, such as the bank from which they borrowed their GSL or the college from which they borrowed NDSL. If one or more of the lenders offers a consolidation loan, then the borrower **must** accept one of those offers, even if the terms are not as favorable as may be available elsewhere. However, if *none* of the current lenders is willing to consolidate, then the borrower may negotiate a consolidation loan with any other lender such Nellie Mae, Sallie Mae, or any other public or private lender, or guaranty agency which offers such loans.

In summary, the consolidation loan offers an important lower-payment option to borrowers who have several lenders and/or large amounts of educational loan. However, it will be more expensive because of the longer repayment period and because of forgone deferment options and cancellation privileges. Borrowers are urged to weigh all factors carefully as they decide whether to take advantage of this new loan.

VI. Summary

This monograph is intended to be a practical document. It is designed as a resource for financial aid administrators in their efforts to construct loan counseling programs at their institutions.

The preceding pages have reviewed the legal requirements of loan counseling for the Title IV and health professions student loan programs. An educational approach to loan counseling has been presented. It offers institutions the flexibility to develop the strategies which best suit their needs. In addition, an overview of loan consolidation has been included.

Loan counseling is now an integral part of the administration of student assistance. The institution must decide the extent of its commitment to loan counseling beyond the legal requirements. *Loan Counseling: Requirements and Good Practice* provides the tools to make such decisions.

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Appendix A
Title IV Student Loan and Other Information Requirements

This appendix includes general information requirements for the administration of Title IV programs as well as specific requirements relative to Title IV student loans. Institutional requirements are indicated by "•" and lender requirements are indicated with "■."

Requirement	When	How	Lender	Institution	Perkins	GSL	SLS	PLUS
Employ at least one full-time person to assist students or potential students in obtaining financial aid information, and advise students as to how and where to contact such person(s).	Ongoing			•	•	•	•	•
Publish and make readily available to students and to prospective students upon request a description of:	Ongoing	In writing		•	•	•	•	•
-Available financial aid programs								
-How financial aid is distributed								
-How to apply; what application form(s) are required, and the importance/requirements for accurately completing the forms								
-Aid recipients rights & responsibilities								
-Institutional costs including tuition & fees, books & supplies, room & board (on and off campus), and additional costs of the specific program in which the student is enrolled or expresses an interest								
-Institutional refund policy								
-Institution's academic programs including current degree, educational or training programs, related academic facilities and faculty/instructional personnel								
-Special services & facilities for handicapped students								

Requirement	When	How	Lender	Institution	Perkins	GSL	SLS	PLUS
-Institution's accrediting/ licensing groups, their names and how students may obtain related documents -Satisfactory progress requirements	Ongoing	In writing		*	*	*	*	*
Make available to students & prospective applicants data regarding employment & graduation statistics and other information necessary to substantiate the truthfulness of the institution's advertising, if the institution uses job placement rates for recruitment	Promptly			*	*	*	*	*
Inform eligible GSL & SLS borrowers about the availability and their eligibility for State grant assistance from the State in which the institution is located and the source of such information in the borrowers home State	Promptly	Not specified; presumably in writing		*		*	*	
To promptly notify the holder of the loan, directly or indirectly through the State agency, concerning: -Any change in the borrower's permanent address -When the borrower ceases to be enrolled at least half time -Any other change in status, when it affects the student's eligibility for the loan	Promptly	In writing		*		*		
Name of the institution, (lender) and the address to which communications should be sent	Prior to disbursement & before repaymt.	In writing through promissory note or separate statement	■	*	*	■	■	■
Principal amount of the loan	Prior to disbursement		■	*	*	■	■	■

Requirement	When	How	Lender	Institution	Perkins	GSL	SLS	PLUS
Amount of any charges collected by the institution (lender) at or prior to disbursal, and whether such charges are deducted from the loan proceeds or paid separately by the borrower	Prior to disbursement	In writing through promissory note or separate statement	■	*	*	■	■	■
Stated interest rate of the loan(s)	Before repaymt.		■	*	*	■	■	■
Combined interest rate on loans with different rates			■	*	*	■	■	■
Yearly and cumulative maximum amounts that may be borrowed			■	*	*	■	■	■
An explanation of when repayment will be required and when the borrower will be obligated to pay the interest			■	*	*	■	■	■
The date repayment begins	Before repaymt.		■	*	*	■	■	■
The minimum and maximum repayment term, and the minimum monthly payment required, and a description of any default penalty such as liability for expenses reasonably incurred for collection.			■	*	*	■	■	■
Total cumulative balance owed, including the loan application for, and an estimate of the projected monthly payment given the cumulative balance			■	*	*	■	■	■
Special consolidation or refinancing options	Before repaymt.		■	*	*	■	■	■
A statement that the borrower has the right to prepay all or part of the loan at any time without penalty	Before repaymt.		■	*	*	■	■	■

Requirement	When	How	Lender	Institution	Perkins	GSL	SLS	PLUS
Deferment provisions and a brief notice of the repayment on the basis of military service	Prior to disbursement	In writing through promissory note or separate statement	■	*	*	■	■	■
Definition of default and the consequences including that the default will be reported to a credit bureau or credit reporting agency			■	*	*	■	■	■
The effect of the loan on the borrower's eligibility for other forms of student aid			■	*	*	■	■	■
The cost the borrower may incur in the making or collection of the loan			■	*	*	■	■	■
The estimated balance owed on loans covered by the disclosure as of the scheduled date repayment is to begin, and the estimated amount of interest to be capitalized	Before repaymt.		■	*	*	■	■	■
The nature of any fees which may accrue or be charged during repayment			■	*	*	■	■	■
Repayment schedule for all loans covered by the disclosure; date first installment is due; number, amount and frequency of payments			■	*	*	■	■	■
Projected total of interest charges, assuming repayment exactly in accordance with the schedule			■	*	*	■	■	■
Make available loan counseling to enrolled borrowers, including:	Before completion of course of study or at time departure or	Individually or in groups		*	*	*	*	

Requirement	When	How	Lender	Institution	Perkins	GSL	SLS	PLUS
-general information regarding average indebtedness	after departure, if borrower leaves without notice	In writing		*	*	*	*	
-average anticipated monthly repayments; repayment options and debt management strategies designed to facilitate repayment								
Separate paper which summarizes (in plain English) borrower's rights and responsibilities, a statement of consequences of default and that a defaulted borrower will be reported to a credit bureau	Prior to disbursement	In writing	■			■	■	■
Amount and method of calculating the origination fee	Not specified	Not specified	■			■	■	■

Appendix B
Health Programs Student Loan Information Requirements

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
Contacting borrower & school if borrower not creditworthy	Prior to lender approval of loan	In writing	■		■		
"Personal Information" for lender skip-tracing must be collected and maintained in the student's file	Prior to disbursement of borrower's first HEAL check in each academic year	May be conducted either in person individually or in groups; may also be conducted via correspondence; documentation must be maintained in the student file		■	■		
The borrower must be informed of his/her HEAL rights and responsibilities				■	■		
The borrower must be informed of the consequences with non-compliance with the HEAL rights and responsibilities including: -penalties for late payment -garnishment of IRS refunds in case of default -reporting defaults to a credit reporting agency				■	■		
"Personal Information" for lender skip-tracing must be collected and maintained in the student's file	Within last academic term prior to graduation or separation; within 30 days of the borrower's anticipated departure if the borrower leaves without an exit interview; or within 30 days of the borrower's	As above, plus, documentation and "personal information" must be forwarded to lender within 30 days of interview; & if interview is conducted by mail, borrower is directed to send		■	■		
The borrower must be informed of his/her HEAL rights and responsibilities				■	■		

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
The borrower must be informed of the consequences with noncompliance with the HEAL rights and responsibilities including: -penalties for late payment -garnishment of IRS refunds in case of default -reporting defaults to a credit reporting agency	separation from school if the borrower departs unexpectedly without an exit interview.	the material directly to lender & the school must send documentation that material was sent to borrower within 30 days of borrower's departure.		■	■		
The borrower must be directed to contact the lender concerning the specific terms and conditions of the loan				■	■		
Amount financed	Prior to disbursement	Promissory note	■		■		
How interest accrues			■		■		
Insurance premium charges			■		■		
No penalty if borrower wishes to prepay			■		■		
Repayment requirements			■		■		
Circumstances under which a credit reporting agency will be used			■		■		
How late charges are assessed			■		■		
Deferment options			■		■		
Cancellations due to death and disability			■		■		

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
Forbearance requirements	Prior to disbursement	Promissory note	■		■		
Consequences of default			■		■		
Borrower's rights and responsibilities			■		■		
Warning about borrower misrepresentation			■		■		
Name and address of lender to which correspondence and payments must be sent		Disclosure statement	■		■		
Amount financed			■		■		
Annual percentage rate			■		■		
Amount of finance charges			■		■		
Circumstances under which late fees are assessed			■		■		
No penalty for prepayment			■		■		
Contacting borrower prior to repayment	30 to 60 days prior to repayment	In writing	■		■		
Name and address of lender to which correspondence & payments must be sent	Prior to repayment	Repayment schedule or disclosure statement	■		■		
Itemization of loans borrowed including dates & the original principal balances			■		■		

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
Annual percentage rate (APR) plus a statement that the APR may increase or decrease over the life of variable rate loans	Prior to repayment	Repayment schedule or disclosure statement	■		■		
Finance charges			■		■		
Current amount financed			■		■		
Total cost of repayment including amount borrowed, interest paid and finance charges			■		■		
Repayment schedule including number of payments, amount of monthly payments and when payments begin			■		■		
No penalty for prepayment			■		■		
Late charges that may or must be assessed			■		■		
Warning about borrower misrepresentation			■		■		
Inform borrower of interest accrual, balance owed, principal outstanding & that prepayment can be made without penalty	Every six months over the life of the loan	In writing	■		■		
Granting forbearance in hardship cases	As appropriate if borrower is not expected to default	Written application process	■		■		
School name and address	Prior to disbursement	Promissory note		■		■	■
Amount financed				■		■	■

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
Terms and conditions of repayment	Prior to disbursement	Promissory note		■		■	■
Maximum number of years to repay				■		■	■
Interest rate				■		■	■
Minimum monthly payment				■		■	■
Fees charged by the lender to the borrower, including late fees				■		■	■
Options for deferral, cancellation, prepayment, loan consolidation, and other refinancing				■		■	■
Definition of default & the consequences thereof to the borrower including reporting the default to credit bureaus				■		■	■
Annual & cumulative borrowing maximums		Disclosure Statement		■		■	■
Effect of accepting the loan on eligibility for other aid, if applicable				■		■	■
Actions that can be taken by the federal government to collect the loan				■		■	■
Borrower's rights & responsibilities				■		■	■
Collection of personal information for skip-tracing (must be on file)				■		■	■

Requirement	When	How	Lender	Institution	HEAL	HPSL	NSL
Itemization of each loan borrowed including: -school name & address -amount financed -terms & conditions of repayment -maximum number of years to repay -interest rate -minimum monthly repayment -fees charged the borrower, including late fees -options for deferral, cancellation, prepayment, loan consolidation & other refinancing -definition of default & consequences of default to the borrower	Prior to graduation or separation	In person; may be mailed if borrower fails to have exit interview; through final disclosure statement, copy of promissory note & copy of repayment schedule		■		■	■
Total amount borrowed				■		■	■
Number of payments				■		■	■
Amount of payments				■		■	■
Frequency of payments				■		■	■
Actions that can be taken by the federal government to collect the loan				■		■	■
Borrower's rights & responsibilities				■		■	■
Collection of personal information for skip tracing	Optional at exit interview if obtained at entrance interview			■		■	■

Appendix C
Title IV Loan Cancellation and Deferment Provisions

Note: Deferment provisions are indicated by "" and cancellation provisions are indicated with "■"*

Provision	Canc.	Amount	Defer.	Length	Programs: Perkins	GSL	SLS	PLUS
1. Enrolled half-time			*	No limit	*			
2. Enrolled full-time			*	No limit	*	*	*	*
3. Enrolled half-time, for which a GSL or SLS is borrowed			*	No limit		*	*	*
4. Enrolled in an approved graduate fellowship or rehabilitation training program for disabled persons			*	No limit		*	*	*
5. Borrower has dependent (for whom a PLUS loan obligation was incurred) who meets conditions in items 2, 3, or 4 (above)			*	No limit				*
6. Member of U.S. Armed Forces			*	3 years	*	*	*	
7. Armed Forces service in an area of hostilities	■	12 1/2% per year up to 50%			■			
8. Active duty member of National Oceanic and Atmospheric Administration Corps.			*	3 years	*	*	*	
9. Officer in Commissioned Corps of Public Health Service			*	3 years	*	*	*	
10. Service as a full-time Volunteer under Domestic Volunteer Service Act of 1973	■	15% 1st/2nd year; 20% 3rd/4th year	*	3 years	*■	*	*	
11. Service as a Peace Corps Volunteer	■	same as item 10	*	3 years	*■	*	*	
12. Volunteer for 501(c)(3) (tax-exempt) organization			*	3 years	*	*	*	

Provision	Canc.	Amount	Defer.	Length	Programs: Perkins	GSL	SLS	PLUS
13. Full-time public or private elementary or secondary school teacher in a shortage area	■	15% 1st/ 2nd year; 20% 3rd/ 4th year; 30% 5th year	*	3 years	■	*	*	
14. Serving an internship, the successful completion of which is required to receive professional recognition in order to begin practice or service			*	2 years	*	*	*	
15. Temporarily totally disabled as established by a physician; unable to secure employment because of a disabled spouse or dependent			*	3 years	*	*	*	*
16. Unemployment			*	Up to 24 months		*	*	*
17. Parental leave -- borrower may not be enrolled or employed; leave period must be 6 months or less after at least half-time enrollment; borrower may be pregnant or caring for a newborn or adopted child.			*	6 months	*	*	*	
18. Mother, with preschool age children, entering or re-entering the work force, who is compensated at a rate not more than $1 above minimum wage			*	12 months	*	*	*	

Provision	Canc.	Amount	Defer.	Length	Programs: Perkins	GSL	SLS	PLUS
19. Full-time staff in preschool program operated under section 222(a)(1) of the Economic Opportunity Act of 1964; salary may not exceed that of comparable local education agency employees	■	15% each year			■			
20. Full-time teacher of handicapped children in a public or nonprofit elementary or secondary school	■	15% 1st or 2nd year; 20% 3rd or 4th year; 30% 5th year			■			

Appendix D
Health Programs Cancellation and Deferment Provisions

Note: Deferment provisions are indicated by "•" and cancellation provisions are indicated by "■"

Provision	Canc.	Amount	Defer.	Length	HEAL	HPSL	NSL
1. Enrolled full-time (For NSL #1 and #2 combined may not exceed five years.)			•	No Limit 5 Years	•		•
2. Advanced professional training (For NSL #1 and #2 may not exceed five years)			•	4 Years 5 Years No Limit	•	• •	•
3. Certain research fellowships			•	2 Years	•	•	
4. Member of the U.S. Armed Forces			•	3 Years	•	•	•
5. Member of the National Health Service Corps			•	3 Years	•		
6. Service as a full-time volunteer under Domestic Service Act of 1973			•	3 Years	•		
7. Service as a Peace Corps volunteer			•	3 Years	•	•	•
8. Death or permanent and total disability	■	Balance of note			■	■	■
9. Service in HHS-designated health manpower shortage area (minimum 2 years)	■	Partial, as funds permit				■	■
10. Failure to complete course of study leading to professional degree	■	All/partial, as funds permit				■	■
11. Borrower in exceptionally needy circumstances	■	↓				■	■
12. Borrower from a low income or disadvantaged family	■					■	■
13. Borrower can't reasonably be expected to resume predegree professional study within 2 years following date the borrower ceased study for which the loan was made	■					■	■

Appendix E
General Student Rights and Responsibilities

Education after high school is a big investment. You should understand that you have the following rights and responsibilities to consider in choosing a school to attend.

MY RIGHTS: I have a right to ask a school:

1. The names of its accrediting and licensing organizations.
2. About its programs; its instructional, laboratory, and other physical facilities; and its faculty.
3. What the cost of attending is, and what its policy is on refunds to students who drop out.
4. What financial assistance is available, including information on all federal, state, local, private and institutional financial aid programs.
5. What the procedures and deadlines are for submitting applications for each available financial aid program.
6. How it selects financial aid recipients.
7. How it determines my financial need. This process includes how costs for tuition and fees, room and board, travel, books and supplies, and personal and miscellaneous expenses are considered in my cost of education. It also includes the resources considered in calculating my need (such as parental contribution, other financial aid, assets, etc.).
8. How much of my financial need, as determined by the school, has been met.
9. How and when I'll be paid.
10. To explain each type and amount of assistance in my financial aid package.
11. What the interest rate is on any student loan I have, the total amount I must repay, the length of time I have to repay, when I must start repaying, and what cancellation or deferment (postponement) provisions apply.
12. If I am offered a College Work Study job--what type of job it is, what hours I must work, what my duties will be, what the rate of pay will be, and how and when I'll be paid.
13. To reconsider my aid package, if I believe a mistake has been made, or if my enrollment or financial circumstances have changed.
14. How the school determines whether I am making satisfactory progress, and what happens if I'm not.
15. What special facilities and services are available to the handicapped.

MY RESPONSIBILITIES: It is my responsibility to:

1. Review and consider all information about a school's program before I enroll.
2. Pay special attention to my application for student financial aid, complete it accurately, and submit it on time to the right place.
3. Know and comply with all deadlines for applying or reapplying for aid.
4. Provide all documentation, corrections, and/or new information requested by either the financial aid office or the agency to which I submitted my application.
5. Notify my school of any information that has changed since I applied.
6. Read, understand, and keep copies of all forms I'm asked to sign.
7. Repay any student loans I have. When I sign a promissory note, I am agreeing to repay my loan.
8. Attend an exit interview at my school if I have a Perkins Loan, Guaranteed Student Loan, or SLS, HEAL, HPSL, or NSL loan.
9. Notify my school of a change in my name, address, or attendance status (half-time, three-quarter-time, or full-time).
10. Satisfactorily perform the work agreed upon in a College Work-Study job.
11. Understand my school's refund policy.

Appendix F
Title IV Student Loan Pre-Disbursement Information Sheet

Student loans are serious obligations. It is extremely important that you understand your rights and responsibilities. When you, the student borrower, sign this statement it means that you do understand your responsibilities, and that you agree to honor them.

MY RIGHTS: At or before the time my lender gives me my first loan payment, my lender must also give me complete information, such as:

1. The full amount of my loan, the interest rate, and when I must start repaying.
2. A complete list of charges connected with making the loan, including whether those charges are deducted from the loan, or I must pay them separately.
3. The yearly and total amounts I can borrow, and the maximum and minimum repayment periods.
4. An updated statement of all the loans I owe to my school, an estimate of what my total debt will be, and what my monthly payments will be.
5. An explanation of default and its consequences.
6. An explanation of refinancing and consolidation options.
7. A statement of deferment conditions and the conditions under which the Department of Defense will repay my loan.
8. A reminder that I can repay the entire balance and interest at any time, without penalty.

I also understand that for my GSL:

9. My check must be payable to me or to both me and the school.
10. I have a right to federal interest benefits, if I qualify.

MY RESPONSIBILITIES: I understand that I must:

1. Repay my loan according to the repayment schedule.
2. Notify my lender immediately if I cannot repay my loan.
3. Notify my lender if I graduate or withdraw.
4. Notify my lender if I transfer to another school.
5. Notify my lender if I drop below half-time status.
6. Notify my lender if I change my name, address, or Social Security number.
7. Notify my lender of anything that affects my ability to repay my loan or my eligibility for deferment or cancellation.
8. Attend an exit interview before I leave school.

Student Signature:_____ Date:_____

Appendix G
Title IV Student Loan Pre-Repayment Information Sheet

Student loans are serious obligations. It is extremely important that you understand your rights and responsibilities. When you, the student borrower, sign this statement it means that you do understand your responsibilities, and that you agree to honor them.

MY RIGHTS: Before my repayment period begins, my lender must tell me:

1. Where to sent my payments and where to write if I have questions about my loan.
2. What my total debt (principal and interest) will be and what my interest rate is.
3. When my first payment is due and the number, frequency, and amount of all payments.
4. What fees I may expect during the repayment period.
5. About refinancing and consolidation options.
6. About my option to prepay my loan at any time without penalty.

I understand that:

7. My lender must also give me a copy of my promissory note.
8. I have a right to a grace period before my repayment period begins.

MY RESPONSIBILITIES: I understand that I must:

1. Repay my loan according to the repayment schedule.
2. Notify my lender immediately if I cannot repay my loan.
3. Notify my lender if I graduate or withdraw.
4. Notify my lender if I transfer to another school.
5. Notify my lender if I drop below half-time status.
6. Notify my lender if I change my name, address, or Social Security number.
7. Notify my lender of anything that affects my ability to repay my loan or my eligibility for deferment or cancellation.
8. Attend an exit interview before I leave school.

Student Signature:_____ Date:_____

Appendix H
Health Education Assistance Loan (HEAL) Program
ENTRANCE INTERVIEW - BORROWER INFORMATION

NOTE: Borrowers should know that the HEAL loan is not subsidized by the Federal Government and may be the borrower's most expensive educational loan. Interest accrues from the date the loan is disbursed, including all periods while the borrower is in school, in deferment (e.g., for residency training), in forbearance, and in repayment until the loan is fully repaid or cancelled due to the borrower's death or total disability. Interest on HEAL loans may be compounded (added to the principal owed) as often as every 6 months from the date the loan is made. The Federal Government charges an insurance premium on each loan. The insurance premium, which has been 8% of the loan amount since July 1986, may be withheld (subtracted) from the amount of the check or draft the borrower receives from the lender. Thus, most borrowers receive a check or draft for an amount less than the total amount borrowed.

IT IS EACH BORROWER'S RESPONSIBILITY TO UNDERSTAND THE INFORMATION OUTLINED ON THIS PAGE PRIOR TO RECEIVING A HEAL LOAN:

1. How much can be borrowed under HEAL annually and in the aggregate
2. The amount of the insurance premium and how it is paid (e.g., it may be deducted by the lender from the loan proceeds so that the check or draft may be for an amount less than what was borrowed)
3. The purposes for which HEAL loan funds may be used
4. Each of my rights and responsibilities under the HEAL program
5. What I must do if more resources than indicated on the HEAL application are obtained during the period of the loan or resources from other (not indicated on the application) sources are obtained during the period of the loan
6. How interest is calculated under fixed and variable rate loans
7. How often interest may be compounded; the effect of compounding on the amount owed, the effect of making even minimal payments during school and deferment periods equal to the interest accumulating
8. What I must do if there is a change in my status, e.g., I drop out of school, graduate, change my name, change my mailing address, etc.
9. What activities are deferable, what I must do to obtain a deferment, and that interest continues to accrue during all periods of deferment
10. When I must contact the lender (holder) concerning repayment terms and options, when repayment begins, and the length of the repayment period
11. How the repayment schedule is affected if I drop out of school, become a part-time student, default, die, or become totally or permanently disabled
12. What the lender (holder) can do if I am late in making a payment or am declared in default
13. What the Federal Government can do if I am declared in default
14. Under what circumstances my HEAL loan can be discharged due to bankruptcy

Health Education Assistance Loan (HEAL) Program
ENTRANCE INTERVIEW -- BORROWER'S RESPONSIBILITIES

1. I understand that there is no interest subsidy on a HEAL loan and that I must pay all interest on the loan. If I do not make payments on time or if I default, the total amount to be repaid will be increased by late charges and may be increased by additional interest costs, attorney's fees, court costs and other collection costs.
2. I agree to pay an insurance premium if charged by the lender, not to exceed the amount the lender is required to pay to the Secretary to provide insurance coverage on a HEAL loan. I understand that I will not be entitled to any refund of this premium.
3. I must immediately notify the lender (holder) in writing if any of the following occurs to me before the loan is repaid in full: (a) change of address; (b) name change (e.g., maiden name to married name); (c) failure to enroll in a HEAL school for the period for which the loan is intended; (d) transfer to another school; (e) withdrawal from school or attendance on a less than full-time basis; (f) graduation; (g) failure to begin any activity eligible for deferment; or (h) cessation of participation in an activity eligible for deferment.
4. I must notify the lender (holder) of any occurrence which may affect my eligibility to receive or to continue to receive a deferment of principal and interest payments.
5. To receive a deferment, including a deferral of the onset of the repayment period, I must, prior to the onset of the activity and annually thereafter, submit to the lender (holder) of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the lender (holder) with all required information or other information regarding the requested deferment.
6. I understand that this loan must be repaid in accordance with my repayment schedule. If my account becomes overdue by more than 60 days, the lender (holder) must notify an appropriate consumer credit reporting agency of this, which may significantly and adversely affect my credit rating. The lender (holder) must also use collection agents and utilize other collection activities (which may include litigation) if my account becomes overdue.
7. If I do not make payments when due, my loan may be declared in default. If I default, the Federal Government will take over my loan and I will then owe the Government. The Federal Government will actively pursue me for repayment of the debt, including the use of collection agents and reporting my default to consumer credit reporting agencies or to the Internal Revenue Service for purpose of locating me or for income tax refund offset, and referral to the Department of Justice for litigation. I may be the subject of court action to force me to pay. The Government also may cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans, and may make other administrative offsets for Federal employees. The Government also may report any written off debt to the Internal Revenue Service as taxable income and may undertake any other debt collection procedures in accordance with the Claims Collection Regulations (45 CFR Part 30).
8. I do not have the right to have any loan discharged in bankruptcy during the first 5 years of the repayment period. This prohibition against the discharge of a HEAL loan applies to bankruptcy under <u>any</u> chapter of the Bankruptcy Act, including Chapter 13. I may have a HEAL loan discharged in bankruptcy after the first 5 years of the repayment period only upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan.

Health Education Assistance Loan (HEAL) Program
ENTRANCE INTERVIEW -- BORROWER'S RIGHTS

1. The lender (holder) cannot change the terms of my HEAL loan without my consent.
2. The lender must provide me with a copy of the completed promissory note when the loan is made. The lender (holder) must return the note to me when the loan is paid in full.
3. The loan check or draft must be made payable jointly to me and the school. The check or draft must require my endorsement.
4. The lender (holder) will provide me with a repayment schedule before the repayment period begins.
5. If the loan is sold from one lender (holder) to another lender (holder), or if the loan is serviced by a party other than the lender (holder), the holder must notify me within 30 days of the transaction and I must be sent a notification which spells out my obligations to the new holder.
6. I have a right to a 9-month "grace period" before repayment begins after I have completed school attendance, internship and residency in an accredited program, or a fellowship training program or full-time educational activity approved by the Secretary for this purpose.
7. I have a right to deferment of principal and interest repayments if certain conditions exist. Under deferment, I am not required to make payments on the loan principal or interest for a period of time. However, Interest continues to accrue during any deferment period. To receive a deferment, including a deferral of the onset of the repayment period (see section 60.11(a) of the HEAL regulations), I must, prior to the onset of the activity and annually thereafter, submit to the lender (holder) of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the lender (holder) with all required information or other information regarding the requested deferment.
8. I have a right to prepay the whole or any portion of the loan at any time without a penalty.
9. I may select a monthly repayment schedule with substantially equal installments or a monthly repayment schedule with graduated installments that increase in amount over the repayment period if I contact the lender (holder) of my loan at least 30 and not more than 60 days before the commencement of my repayment period to establish the precise terms of repayment.
10. My loan obligation will be cancelled in the event of my death or permanent and total disability in accordance with applicable Federal statutes and regulations.
11. "Forbearance" means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled to prevent me from defaulting on my payment obligations. I have the right to be granted forbearance whenever I am temporarily unable to make scheduled payments on my HEAL loan and I continue to repay the loan in an amount commensurate with my ability to repay the loan unless the Secretary determines that my default is inevitable and the forbearance will be ineffective in preventing default. A lender (holder) must exercise forbearance in accordance with terms that are consistent with the 25-and 33-year limitations on the length of repayment if the lender (holder) and the borrower agree in writing to the new terms. Each forbearance period may not exceed 6 months and the total period of forbearance (with or without interruption) granted to me must not exceed 2 years unless an extension is granted by the Secretary.
12. The lender (holder) must notify me in writing of the balance owed for principal, interest, insurance premiums, and any other charges or fees owed to the lender (holder), at least every 6 months from the time my loan was disbursed to me.
13. I understand that I may be eligible to have my HEAL loans combined by a lender (holder) when I enter repayment.

Health Education Assistance Loan (HEAL) Program
ENTRANCE INTERVIEW -- PERSONAL DATA

WARNING: Any person who knowingly makes a false statement or misrepresentation in a HEAL loan transaction, bribes or attempts to bribe a Federal official, fraudulently obtains a HEAL loan, or commits any other illegal action in connection with a HEAL loan is subject to possible fine or imprisonment under Federal statute.

The HEAL loan is very expensive. Interest accrues from the day the loan is made until the loan is paid in full or cancelled due to death or total and permanent disability. Interest may be compounded as often as every 6 months and added to the principal, which significantly increases the amount the borrower must repay.

This form must be typed or printed in ink before your first HEAL disbursement in each academic year that you obtain a HEAL loan. All items must be completed; write "none" when applicable. If this form is not completed, you will not be eligible to receive HEAL funds.

Personal Information

Name _____ Other Names Used (e.g., maiden) _____

Social Security Number _____ Date of Birth ___/___/___

Permanent Address _____
Street City State Zip Code

Local Address _____
Street City State Zip Code

Home Telephone Number (___) _____ Work Telephone Number (___) _____

Spouse's Name _____ Spouse's Occupation _____

Spouse's Employer _____ Work Telephone Number (___) _____

Employer's Address _____
Street City State Zip Code

Miscellaneous Data & Savings and Checking Accounts

Bank _____ Address _____ Account Number _____

Bank _____ Address _____ Account Number _____

Driver's License (Number & State) _____

State I. D. Card (Number & State) _____

Auto Insurance Company _____ Agent's Name _____

Address _____
Street City State Zip Code

Life Insurance Company _____ Agent's Name _____

Address _____
Street City State Zip Code

Parent/Guardian Data

Father's Name _____ Home Telephone Number _____

Address _____
Street City State Zip Code

Father's Employer _____ Occupation _____

Employer's Address _____
Street City/State/Zip Code Telephone

Mother's Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Mother's Employer _____ Occupation _____

Employer's Address _____
Street City/State/Zip Code Telephone

Grandparent's Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Brothers/Sisters over 18 not living at home (List married name of sister, e.g., Mrs. John Smith)

Name _____ Home Telephone Number (___)_____

Address _____
Street City State Zip Code

Name _____ Home Telephone Number (___)_____

Address _____
Street City State Zip Code

Personal References/Individuals - You must provide 2 references (other than immediate family, students or professors) who will most likely know your address.

Name _____ Home Telephone Number (___)_____

Address _____
Street City State Zip Code

Name _____ Home Telephone Number (___)_____

Address _____
Street City State Zip Code

I, the borrower, certify that the information contained in this form is true, complete, and correct. I hereby authorize in accordance with the Privacy Act of 1974 (5 U.S.C. 552a) release of this information to the HEAL loan holder, Federal Agencies, contractors which assist the Federal Government in the administration of the HEAL program, consumer reporting agencies, debt collection bureaus, and other private and public parties.

_____
Borrower's Signature Date

Appendix I
Health Education Assistance Loan (HEAL) Program
EXIT INTERVIEW - BORROWER INFORMATION

NOTE: Borrowers should remember that interest on the HEAL loan accrues from the date the loan is disbursed, including all periods while the borrower is in school, in deferment (e.g., for residency training), in forbearance, and in repayment until the loan is fully repaid or cancelled due to the borrower's death or total disability. Interest on HEAL loans may be compounded (added to the principal owed) as often as every 6 months from the date the loan is made. Subject to the terms of the borrower's HEAL promissory note, the borrower may select a monthly repayment schedule with substantially equal or graduated installment payments. Failure to make repayments on time will result in late charges being added to the amount owed and the status of the loan being reported to a credit reporting agency, which may significantly impact the borrower's ability to obtain other credit.

IT IS EACH BORROWER'S RESPONSIBILITY TO UNDERSTAND THE INFORMATION OUTLINED ON THIS PAGE:

1. Each of my rights and responsibilities under the HEAL program
2. How often interest may be compounded; the effect of the compounding on the amount owed; the effect of making even minimal payments during school and deferment periods equal to the interest accumulating
3. What I must do if there is a change in my status, e.g., I begin an approved residency, drop out of a residency, change my name, change my mailing address, etc.
4. What activities are deferable, what I must do to obtain a deferment, and that interest continues to accrue during all periods of deferment
5. When I must contact the lender (holder) concerning repayment terms and options, when repayment begins, and the length of the repayment period
6. What a graduated repayment schedule is and how it can be obtained
7. That I may be eligible to have my HEAL loans combined by a lender (holder) when I enter repayment
8. How the repayment schedule is affected if I drop out of residency training, default, die, or become totally or permanently disabled
9. What I should do if I am late in making a payment
10. What the lender (holder) can do if I am late in making a payment or am declared in default
11. What the Federal government can do if I am declared in default
12. What forbearance is and how it can be obtained
13. Under what circumstances my HEAL loan can be discharged due to bankruptcy

Health Education Assistance Loan (HEAL) Program
EXIT INTERVIEW - BORROWER'S RIGHTS

1. The lender (holder) cannot change the terms of my HEAL loan without my consent.
2. The lender (holder) must return the promissory note to me when the loan is paid in full.
3. The lender (holder) will provide me with a repayment schedule before the repayment period begins.
4. If the loan is sold from one lender (holder) to another lender (holder), or if the loan is serviced by a party other than the lender (holder), the holder must notify me within 30 days of the transaction and I must be sent a notification which spells out my obligations to the new holder.
5. I have a right to a 9-month "grace period" before repayment begins after I have completed school attendance, internship and residency in an accredited program, or a fellowship training program or full-time educational activity approved by the Secretary for this purpose.
6. I have a right to deferment of principal and interest repayments if certain conditions exist. Under deferment, I am not required to make payments on the loan principal or interest for a period of time. However, interest continues to accrue during any deferment period. To receive a deferment, including a deferral of the onset of the repayment period (see Section 60.11(a) of the HEAL regulations), I must, prior to the onset of the activity and annually thereafter, submit to the lender (holder) of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the lender (holder) with all required information or other information regarding the requested deferment.
7. I have a right to prepay the whole or any portion of the loan at any time without a penalty.
8. I may select a monthly repayment schedule with substantially equal installments or a monthly repayment schedule with graduated installments that increase in amount over the repayment period if I contact the lender (holder) of my loan at least 30 and not more than 60 days before the commencement of my repayment period to establish the precise terms of repayment.
9. My loan obligation will be cancelled in the event of my death or permanent and total disability in accordance with applicable Federal statutes and regulations.
10. "Forbearance" means an extension of time for making loan payments or the acceptance of smaller payments than were previously scheduled to prevent me from defaulting on my payment obligations. I have the right to be granted forbearance whenever I am temporarily unable to make scheduled payments on my HEAL loan and I continue to repay the loan in an amount commensurate with my ability to repay the loan unless the Secretary determines that my default is inevitable nd the forbearance will be ineffective in preventing default. A lender (holder) must exercise forbearance in accordance with terms that are consistent with the 25- and 33-year limitations on the length of repayment if the lender (holder) and the borrower agree in writing to the new terms. Each forbearance period may not exceed 6 months and the total period of forbearance (with or without interruption) granted to me must not exceed 2 years unless an extension is granted by the Secretary.
11. The lender (holder) must notify me in writing of the balance owed for principal, interest, insurance premiums, and any other charges or fees owed to the lender (holder), at least every 6 months from the time my loan was disbursed to me.
12. I understand that I may be eligible to have my HEAL loans combined by a lender (holder) when I enter repayment.

Health Education Assistance Loan (HEAL) Program
EXIT INTERVIEW - BORROWER'S RESPONSIBILITIES

1. I understand that there is no interest subsidy on a HEAL loan and that I must pay all interest on the loan. If I do not make payments on time or if I default, the total amount to be repaid will be increased by late charges and may be increased by additional interest costs, attorney's fees, court costs and other collections costs.
2. I must immediately notify the lender (holder) in writing if any of the following occurs to me before the loan is repaid in full: (a) change of address; (b) name change (i.e., maiden name to married name); (c) graduation; (d) failure to begin any activity eligible for deferment; or (e) cessation of participation in an activity eligible for deferment.
3. I must notify the lender (holder) of any occurrence which may affect my eligibility to receive or to continue to receive a deferment of principal and interest payments.
4. To receive a deferment, including a deferral of the onset of the repayment period (see section 60.11(a) of the HEAL regulations), I must, prior to the onset of the activity and annually thereafter, submit to the lender (holder) of the note evidence of my status in the deferment activity and evidence that verifies deferment eligibility of the activity. It is my responsibility to provide the lender (holder) with all required information or other information regarding the requested deferment.
5. At least 30 and not more than 60 days before commencement of my repayment period, I must contact the lender (holder) to establish the precise terms of repayment. I may select a monthly repayment schedule with substantially equal installment payments or with graduated payments that increase in amount over the repayment period. If I do not contact the lender (holder) and do not respond to contacts from the lender (holder), the lender (holder) may establish a monthly repayment schedule with substantially equal payments, subject to the terms of my HEAL promissory note.
6. I understand that this loan must be repaid in accordance with my repayment schedule. If my account becomes overdue by more than 60 days, the lender (holder) must notify an appropriate consumer credit reporting agency of this, which may significantly and adversely affect my credit rating. The lender (holder) must also use collection agents and utilize other collection activities (which may include litigation) if my account becomes overdue.
7. If I do not make payments when due, my loan may be declared in default. If I default, the Federal Government will take over my loan and I will then owe the Government. The Federal Government will actively pursue me for repayment of the debt, including the use of collection agents and reporting my default to consumer credit reporting agencies or to the Internal Revenue Service (IRS) for purpose of locating me or for income tax refund offset, and referral to the Department of Justice for litigation. I may be the subject of court action to force me to pay. The Government also may cause to be reduced Federal reimbursements or payments for health services under any Federal law to borrowers who are practicing their professions and have defaulted on their loans, and may make other administrative offsets for Federal employees. The Government also may report any written off debt to the IRS as taxable income an may undertake any other debt collection procedures in accordance with the Claims Collection Regulations (45 CFR Part 30).
8. I do not have the right to have my loan discharged in bankruptcy during the first 5 years of the repayment period. This prohibition against the discharge of a HEAL loan applies to bankruptcy under <u>any</u> chapter of the Bankruptcy Act, including Chapter 13. I may have a HEAL loan discharged in bankruptcy after the first 5 years of the repayment period only upon a finding by the Bankruptcy Court that the non-discharge of such debt would be unconscionable and upon the condition that the Secretary shall not have waived his or her rights to reduce any Federal reimbursements or Federal payments for health services under any Federal law in amounts up to the balance of the loan.

Health Education Assistance Loan (HEAL) Program
EXIT INTERVIEW -- PERSONAL DATA

WARNING: Any person who knowingly makes a false statement or misrepresentation in a HEAL loan transaction, bribes or attempts to bribe a Federal official, fraudulently obtains a HEAL loan, or commits any other illegal action in connection with a HEAL loan is subject to possible fine or imprisonment under Federal statute.

This form must be typed or printed in ink within the final academic term of your enrollment prior to your anticipated graduation date or other departure date from your school. All items must be completed; write "none" when applicable. If you departed school prior to the anticipated date or did not receive an exit interview, you must forward this completed form to the address(es) of your HEAL holder(s).

Personal Information

Name _____ Other Names Used (e.g., maiden) _____

Social Security Number _____ Date of Birth ___/___/___

Permanent Address _____
Street City State Zip Code

Local Address _____
Street City State Zip Code

Home Telephone Number (___)_____ Work Telephone Number (___)_____

Spouse's Name _____ Spouse's Occupation _____

Spouse's Employer _____ Work Telephone Number (___)_____

Employer's Address _____
Street City State Zip Code

Miscellaneous Data & Savings and Checking Account

Bank _____ Address _____ Account Number _____

Bank _____ Address _____ Account Number _____

Driver's License (Number & State) _____

State I. D. Card (Number & State) _____

Auto Insurance Company _____ Agent's Name _____

Address _____
Street City State Zip Code

Life Insurance Company _____ Agent's Name _____

Address _____
Street City State Zip Code

Parent/Guardian Data

Father's Name _____ Home Telephone Number _____

Address _____
Street City State Zip Code

Father's Employer _____ Occupation _____

Employer's Address _____
Street City/State/Zip Code Telephone

Mother's Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Mother's Employer _____ Occupation _____

Employer's Address _____
Street City/State/Zip Code Telephone

Grandparent's Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Brothers/Sisters over 18 not living at home (List married name of sister, e.g., Mrs. John Smith)

Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Personal References/Individuals - You must provide 2 references (other than immediate family, students or professors) who will most likely know your address.

Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Name _____ Home Telephone Number (___) _____

Address _____
Street City State Zip Code

Future Plans: Beginning on (date) ____/____/____

Education (College.University) _____

Internship/Residency in _____ at _____
Specialty Name of Hospital in City/State

Employer _____ Occupation _____

Employer's Address _____
Street City/State/Zip Code Telephone Number

State(s) in which you plan to obtain licensure/certification _____

Other (specify, e.g., Armed Forces, Peace Corps, etc.) _____

Data Related to Education

Financial aid received while attending current educational institution: PELL /____/;
SEOG /____/; NDSL /____/; GSL /____/; Social Security /____/; Veteran's Benefits /____/;
Work Study /____/; HPSL /____/; EFN /____/; FADHPS /____/; Other /____/ Specify
_____

Fraternity or Sorority Membership (name) _____

Professional Organization Membership (name) _____

I, the borrower, certify that the information contained in this form is true, complete, and correct. I hereby authorize in accordance with the Privacy Act of 1974 (6 U.S.C. 552a) release of this information to the HEAL loan holder, Federal Agencies, contractors which assist the Federal Government in the administration of the HEAL program, consumer reporting agencies, debt collection bureaus, and other private and public parties.

_____
Borrower's Signature Date

50

Health Education Assistance Loan (HEAL) Program
EXIT INTERVIEW SUPPLEMENT

To Be Completed by the Educational Institution (Type or Print)

1. A. Borrower's Name _____

   B. Borrower's Social Security Number _____

2. Borrower directed to contact the following lender(s) (holder(s)) concerning specific repayment terms and options, deferment rights and responsibilities, forbearance rights and responsibilities, etc. Name and address of lender(s) (holder(s))

   A. _____

   B. _____

   C. _____

   D. _____

3. Sign either statement 3A or 3B, whichever is appropriate.

   A. I have informed the borrower in the exit interview of his or her rights and responsibilities under each HEAL loan, including the consequences for noncompliance with those responsibilities.

_____
Print Name and Title of Authorized Official

_____ _____
Signature of Authorized Official Date

   B. The borrower departed from school prior to the anticipated date or, for other reasons, did not receive an exit interview. Therefore, the exit interview information was mailed to the loan recipient and he or she was instructed to forward the required information to the lender(s) (holder(s)).

Address to which information was mailed:

_____
Street City State Zip Code

_____
Print Name and Title of Authorized Official

_____ _____
Signature of Authorized Official Date

Appendix J
GSL/SLS Change of Student Status Letter to Lender

Date:
Lender Name: _____
Address: _____
_____

Student Name: _____ Social Security Number: _____
Last Known Permanent Address:
_____
_____
_____

Dear Lender:

The items checked below represent new information with regard to the above named student. Please use this information to update your records.

_____ PERMANENT ADDRESS CHANGE TO:
_____
_____
_____

_____ NAME CHANGE TO: _____

_____ CHANGE IN ENROLLMENT STATUS TO:
_____ student never enrolled
_____ half-time
_____ less than half-time
_____ leave of absence
_____ withdrawn/dropped
_____ graduated
Effective date of change _____

Should you have questions or need additional information, please feel free to contact this office.

Sincerely,

Financial Aid Office

Appendix K
HEAL Change of Student Status Letter to Lender

Date:
Lender Name: _____
Address: _____
_____

Student Name: _____ Social Security Number: _____
Last Known Permanent Address:
_____
_____
_____

Last Known Local Address:
_____
_____
_____

Dear Lender:

The items checked below represent new information with regard to the above named student. Please use this information to update your records.

_____ PERMANENT ADDRESS CHANGE TO:
_____
_____
_____

_____ LOCAL ADDRESS CHANGE TO:
_____
_____
_____

_____ NAME CHANGE TO: _____

_____ CHANGE IN ENROLLMENT STATUS TO:
_____ student never enrolled
_____ half-time
_____ less than half-time
_____ leave of absence
_____ withdrawn/dropped
_____ graduated
Effective date of change _____

Should you have questions or need additional information, please feel free to contact this office.

Sincerely,

Financial Aid Office

Appendix L
Starting Salaries for Selected Occupations

Position	Degree	Annual Gross Salary
Accountant	Bachelor's	$19,500
	Master's	$23,200
Airline Flight Attendant		$13,000
Airline Ticket Agent		$25,500 Average
Attorney	J.D., LL.B.	$10,000-40,000
Auto Mechanic		$19,360-25,630 Average
Bank Officer	Bachelor's	$13,200-22,800
	MBA	$21,600-42,000
Bookkeeper/Accounting clerk		$11,704
Broadcast Technician		$16,500 Average
Chemist	Bachelor's	$21,100
	Master's	$26,700
	Ph.D.	$35,500
College/University Faculty		
Instructor	Ph.D.	$19,200 Average
Assistant Professor		$24,600 Average
Associate Professor		$25,300 Average
Professor		$39,900 Average
Computer Service Technician		$24,000 Average
Cosmetologist		$6,000-8,000
Data Entry Keyer		$12,750 Average
Dental Hygienist	Associate's	$22,800
Engineer	Bachelor's	$26,300
	Master's	$30,400
	Ph.D.	$39,500
Health Services Administrator		$30,000-40,000 (small hospital) $62,000-120,000 (large hospital) Avg. $21,804 (V.A. Hospital)
Legal Assistant		$14,400-17,800
Librarian	Master's	$17,200 (public) $20,400 (school)

Mathematician	Bachelor's Master's Ph.D.	$23,400 $28,800 $35,600
Newspaper Reporter		$15,000-22,500
Nurse		$18,800 (RN, Hospital) $16,040 (RN, V.A. Hosp.) $11,458-13,600 (LPN)
Psychologist (federal agency)	Bachelor's Master's Ph.D.	$14,400-17,800 $21,800 $26,400-31,600
Physical Therapist		$19,600
Physician Assistant		$20,500-27,500
Police Patrol Officer		$20,500 Average
Programmer		$19,250
Purchasing Agent (industry)	Bachelor's	$14,390-20,200
Retail and Wholesale Buyer		$19,500 Average
School Counselor		$27,593 Average
Secretary		$11,458-17,824
Social Worker	BSW MSW	$15,700 $19,300
Systems Analyst	Bachelor's	$17,250-24,500
Teacher		
Elementary School		$23,092 Average
Secondary School		$24,276 Average
Urban and Regional Planner	Master's	$29,600 Average
Word Processor Operator		$11,000-17,420 Average

SOURCE: Occupational Outlook Handbook, 1986-87, U.S. Department of Labor, Bureau of Labor Statistics, April 1986, Bulletin 2250.

NOTE: Figures are starting salaries for workers who meet typical educational and experimental requirements. Figures indicated as "average" are averages for all full-time workers in that field. Salaries will vary from region to region and should be adjusted upward or downward accordingly.

Appendix M
Calculating Loan Repayments

This chart will help you to determine loan repayments on a given amount of debt. Use the interest rate (vertical columns of 3% to 20%) and the length of loan repayment (horizontal columns of 1 through 15 years, plus 20, 25, and 30 year terms) to find the monthly and annual repayment amounts. Divide the loan principal by $1000 to determine the appropriate payments for any loan amount. Example. Payments on a loan of $5,000 at 9% interest for 10 years would be calculated as follows: $12.67 x ($5,000 ÷ 1000) = $12.67 x 5 = $63.35 (monthly amount) x 12 = $760.20 (annual amount).

Monthly and Annual Payments on Loan Principal of $1,000

Interest Rate	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
	1		2		3		4		5		6	
3%	$84.69	1016.28	42.98	515.76	29.08	348.96	22.13	265.56	17.97	215.64	15.19	182.28
4%	$85.15	1021.80	43.42	521.04	29.52	354.24	22.58	270.96	18.42	221.04	15.65	187.80
5%	$85.61	1027.32	43.87	526.44	29.97	359.64	23.02	276.36	18.87	226.44	16.10	193.20
6%	$86.07	1032.84	44.32	531.84	30.42	365.04	23.49	281.88	19.33	231.96	16.57	198.84
7%	$86.53	1038.36	44.77	537.24	30.88	370.56	23.95	287.40	19.80	237.60	17.05	204.60
8%	$86.99	1043.88	45.23	542.76	31.34	376.08	24.41	292.92	20.28	243.36	17.53	210.36
9%	$87.45	1049.40	45.68	548.16	31.80	381.60	24.89	298.68	20.76	249.12	18.03	216.36
10%	$87.92	1055.04	46.14	553.68	32.27	387.24	25.36	304.32	21.25	255.00	18.53	222.36
11%	$88.38	1060.56	46.61	559.32	32.74	392.88	25.85	310.20	21.74	260.88	19.03	228.36
12%	$88.85	1066.20	47.07	564.84	33.21	398.52	26.33	315.96	22.24	266.88	19.55	234.60
13%	$89.32	1071.84	47.54	570.48	33.69	404.28	26.83	321.96	22.75	273.00	20.07	240.84
14%	$89.79	1077.48	48.01	576.12	34.18	410.16	27.33	327.96	23.27	279.24	20.61	247.32
15%	$90.26	1083.12	48.49	581.88	34.67	416.04	27.83	333.96	23.79	285.48	21.15	253.80
16%	$90.73	1088.76	48.96	587.52	35.16	421.92	28.34	340.08	24.32	291.84	21.69	260.28
17%	$91.20	1094.40	49.44	593.28	35.65	427.80	28.86	346.32	24.85	298.20	22.25	267.00
18%	$91.98	1100.16	49.92	599.04	36.15	433.80	29.37	352.44	25.39	304.68	22.81	273.72
19%	$92.16	1105.92	50.41	604.92	36.66	439.92	29.90	358.80	25.94	311.28	23.38	280.56
20%	$92.63	1111.56	50.90	610.80	37.16	445.92	30.43	365.16	26.49	317.88	23.95	287.40
	7		8		9		10		11		12	
3%	$13.21	158.52	11.73	140.76	10.58	126.96	9.66	115.92	8.90	106.80	8.28	99.36
4%	$13.67	164.04	12.19	146.28	11.04	132.48	10.12	121.44	9.38	112.56	8.76	105.12
5%	$14.13	169.56	12.66	151.92	11.52	138.24	10.61	127.32	9.86	118.32	9.25	111.00
6%	$14.61	175.32	13.14	157.68	12.01	144.12	11.10	133.20	10.37	124.44	9.76	117.12
7%	$15.09	181.08	13.63	163.56	12.51	150.12	11.61	139.32	10.88	130.56	10.28	123.36
8%	$15.59	187.08	14.14	169.68	13.02	156.24	12.13	145.56	11.42	137.04	10.82	129.84
9%	$16.09	193.08	14.65	175.80	13.52	162.24	12.67	152.04	11.96	143.52	11.38	136.56
10%	$16.60	199.20	15.17	182.04	14.08	168.96	13.22	158.64	12.52	150.24	11.95	143.40
11%	$17.12	205.44	15.71	188.52	14.63	175.56	13.78	165.36	13.09	157.08	12.54	150.48
12%	$17.65	211.80	16.25	195.00	15.18	182.16	14.35	172.20	13.67	164.04	13.13	157.56
13%	$18.19	218.28	16.81	201.72	15.75	189.00	14.93	179.16	14.28	171.36	13.75	165.00
14%	$18.74	224.88	17.37	208.44	16.33	195.96	15.53	186.36	14.89	178.68	14.37	172.44
15%	$19.30	231.60	17.93	215.16	16.92	203.04	16.13	193.56	15.51	186.12	15.01	180.12
16%	$19.86	238.32	18.53	222.36	17.53	210.40	16.75	201.00	16.14	193.68	15.66	187.92
17%	$20.44	245.28	19.12	229.44	18.14	217.68	17.38	208.56	16.79	201.48	16.32	195.84
18%	$21.02	252.24	19.72	236.64	18.76	225.12	18.02	216.24	17.44	209.28	16.99	203.88
19%	$21.61	259.32	20.33	243.96	19.39	232.68	18.67	224.04	18.11	217.32	17.67	212.04
20%	$22.21	266.52	20.95	251.40	20.03	240.36	19.33	231.96	18.79	225.48	18.37	220.44
	13		14		15		20		25		30	
3%	$7.75	93.00	7.30	87.60	6.91	82.92	5.55	66.60	4.74	56.88	4.22	50.64
4%	$8.23	98.76	7.78	93.36	7.40	88.80	6.06	72.72	5.28	63.36	4.77	57.24
5%	$8.73	104.76	8.29	99.48	7.91	94.92	6.60	79.20	5.85	70.20	5.37	64.44
6%	$9.25	111.00	8.81	105.72	8.44	101.28	7.16	85.92	6.44	77.28	6.00	72.00
7%	$9.78	117.36	9.35	112.20	8.99	107.88	7.75	93.00	7.07	84.84	6.65	79.80
8%	$10.33	123.96	9.91	118.92	9.56	114.72	8.36	100.32	7.72	92.64	7.34	88.08
9%	$10.90	130.80	10.49	125.88	10.14	121.68	9.00	108.00	8.39	100.68	8.05	96.60
10%	$11.48	137.76	11.08	132.96	10.75	129.00	9.65	115.80	9.09	109.08	8.78	105.36
11%	$12.08	144.96	11.69	140.28	11.37	136.44	10.32	123.84	9.80	117.60	9.52	114.24
12%	$12.69	152.28	12.31	147.72	12.00	144.00	11.01	132.12	10.53	126.36	10.29	123.48
13%	$13.31	159.72	12.95	155.40	12.65	151.80	11.72	140.64	11.28	135.36	11.06	132.72
14%	$13.95	167.40	13.60	163.20	13.32	159.84	12.44	149.28	12.04	144.48	11.85	142.20
15%	$14.60	175.20	14.27	171.24	14.00	168.00	13.17	158.04	12.81	153.72	12.64	151.68
16%	$15.27	183.24	14.95	179.40	14.69	176.28	13.91	166.92	13.59	163.08	13.45	161.40
17%	$15.94	191.28	15.64	187.68	15.39	184.68	14.67	176.04	14.38	172.56	14.26	171.12
18%	$16.63	199.56	16.34	196.08	16.10	193.20	15.43	185.16	15.17	182.04	15.07	180.84
19%	$17.33	207.96	17.05	204.60	16.83	201.96	16.21	194.52	15.98	191.76	15.89	190.68
20%	$18.04	216.48	17.77	213.24	17.56	210.72	16.99	203.88	16.78	201.36	16.71	200.52

Appendix N
Loan Consolidation

Loan consolidation is a method for managing educational indebtedness. This paper describes in general terms the loan consolidation program authorized by the Higher Education Amendments of 1986. Although the law mandates certain parameters for loan consolidation, plans offered may differ substantially from provider to provider. Providers are identified in the law as eligible lenders and guarantors and the Student Loan Marketing Association (Sallie Mae).

The consolidation loan replaces an earlier program, OPTIONS, which expired in October 1983. Borrowers who are familiar with OPTIONS are advised that the terms of the new loan program are different. All borrowers are encouraged to carefully weigh the advantages of smaller monthly payments against the increase in total costs before making a commitment to consolidate.

The consolidation loan may be used to *replace* any combination of four federal student loans: Guaranteed Student Loans (GSL), Supplemental Loans for Students (SLS; formerly Auxiliary Loans to Assist Students or ALAS), Perkins Loans (formerly National Direct Student Loans or NDSL), and Health Professions Student Loans (HPSL). All loans must be in repayment or in the grace period, and none may have past due payments greater than 90 days. Borrowers may not consolidate the Nursing Student Loan (NSL), Health Education Assistance Loan (HEAL), or other institutional and private loans. [Note: The HEAL may be "administratively" consolidated so that the borrower can include HEAL payments in the same check with other consolidated loans.]

Under the consolidation loan program, the lender issues a consolidation loan in the combined amount of the outstanding principal and accrued interest of all loans which are to be consolidated, and then pays off the original lenders of those loans in full. In this manner, the borrower then makes a single monthly payment rather than the two, three, or more separate payments which may have been necessary under the original loan schedules. Moreover, the Higher Education Amendments of 1986 provide for the following additional options, at the discretion of the lender:

1. Extended repayment (more than ten years);
2. Graduated repayment (smaller repayments in the early years and larger payments in the later years); and
3. Income-sensitive repayment (repayments as a percentage of the borrower's income).

The maximum repayment period may not exceed twenty-five (25) years, but it will vary depending upon the total amount of the borrower's educational loans (including non-consolidated loans such as HEAL, NSL, and institutional and private loans), regardless of whether they are actually being consolidated. Although the final determination is slightly more complex, the following table provides a general estimate of the longest possible repayment:

Total Loans	Years to Repay
$ 5,000 to 7,499	10 (at least $5,000 must be GSL/SLS)
$ 7,500 to 9,999	12
$10,000 to 19,999	15
$20,000 to 44,999	20
$45,000 or more	25

These extended payments and other options such as graduated or income-sensitive repayment may make it easier to repay loans because the monthly payments will be smaller. However, the total cost of borrowing will be greater. To give just one example, consider the borrower with $15,000 of GSL and $10,000 of NDSL. Under conventional repayment, the two monthly payments would be approximately $288 and the total principal and interest would be repaid in ten years at a total cost of $34,570. Under the least costly option (twenty-year, level payment) a $25,000 consolidation loan at 9 percent interest (see item 1 below), would result in a 22 percent reduction in the monthly payment to $225, but the total cost would increase by 56% to $53,980. Graduated payment options would produce even lower monthly payments but the total costs would be greater still.

However, the *real* cost of the consolidation loan may be made even greater by the following four factors:

1. The rate of interest on the consolidation loan will be the weighted average of the rates of the original loans (to the nearest whole percent), but it cannot be less than 9 percent. Thus, a borrower who consolidates $5,000 of GSL (8 percent) and $15,000 of SLS/ALAS (12 percent) would receive a consolidation loan for $20,000 at 11 percent interest. However, a borrower who combines any amounts of GSL (whether 7 percent, 8 percent, or 9 percent), NDSL (3 percent, 4 percent, or 5 percent), or HPSL (3 percent, 7 percent, or 9 percent) will have a consolidated rate of 9 percent, the lower rates of the original loans notwithstanding.

2. The borrower surrenders many deferment options from the original loans, including Armed Forces, Public Health Service, National Oceanic and Atmospheric Administration Corps, Peace Corps, and VISTA; internships and residencies; and parental leaves. The only permissible deferments for consolidation loans are for full-time study (half-time if the student borrows *additional* GSL or SLS), temporary and total disability, and unemployment.

3. During the three permissible deferments (noted above), only *principal* may be deferred. This means that interest will continue to accrue and must be paid during the deferment period. For this reason, borrowers should delay consolidation until they have completed those deferments for which they expect to qualify. For example, a college graduate who consolidated $10,000 in GSL and $2,000 in NDSL before entering a divinity or law school would pay an additional $2,700 in interest than if the loans had been consolidated after those three years of further study.

4. The borrower surrenders all NDSL cancellation privileges such as teaching low-income, pre-school, or handicapped children, or military service in an area of hostilities.

Borrowers who wish to secure a consolidation loan should first consult any or all of their current lenders, such as the bank from which they borrowed their GSL or the college from which they borrowed NDSL. If one or more of the lenders offers a consolidation loan, then the borrower **must** accept one of those offers, even if the terms are not as favorable as may be available elsewhere. However, if *none* of the current lenders is willing to consolidate, then the borrower may negotiate a consolidation loan with any other lender such Nellie Mae, Sallie Mae, or any other public or private lender, or guaranty agency which offers such loans.

In summary, the consolidation loan offers an important lower-payment option to borrowers who have several lenders and/or large amounts of educational loan. However, it will be more expensive because of the longer repayment period and because of forgone deferment options and cancellation privileges. Borrowers are urged to weigh all factors carefull as they decide whether to take advantage of this new loan.

Appendix O
Self-Evaluation Checklist
Relative to Loan Counseling Efforts

Perkins Loan Program (formerly National Direct Student Loan)

Reference			
P.L. 99-498, P.L. 100-50 Sec. 463A(a)(8)	1.	Before disbursement, does the institution provide a statement of the total cumulative balance, including the loan applied for, owed by student and an estimate of the projected monthly repayment given the cumulative balance?	yes__no__
674.16(a)(1) 674.42(a)	2.	Before the institution makes an initial Perkins Loan disbursement to a student does the staff ensure that the borrower understands his/her obligations under the law to repay the loan and to apply the proceeds only to educational expenses?	yes__no__
P.L. 99-498 SEC. 463A	3.	Is the institution in compliance with all disclosure requirements required prior to disbursement as well as prior to repayment?	yes__no__
	4.	In exercising its responsibility to be diligent and forceful in collecting Perkins loans does the institution:	
674.42(a)	a.	Inform each borrower before signing the note that he or she must repay the loan and apply the proceeds to educational expenses only?	yes__no__
674.42(b) 674.43(b)	b.	Conduct an exit interview with each borrower before he or she leaves the institution and, again, explain his or her obligation to repay the loan?	yes__no__
647.42(c)	c.	During or before the exit interview, give the borrower a copy of the signed promissory note and the repayment schedule and have the borrower sign the schedule?	yes__no__
674.42(d)	d.	Keep the signed copy of the repayment schedule in the institution's files?	yes__no__
674.42(e)	e.	Mail a copy of the note and two copies of the repayment schedule to a borrower who leaves the institution without notice, requesting the borrower to sign and return one of the schedules to the institution?	yes__no__
674.42(f)	f.	Keep the borrower informed on a timely basis of all changes in the program that affect his or her rights or responsibilities?	yes__no__

674.42(g)	g.	Respond promptly to all inquiries from the borrower or any endorser?	yes__no__
	5.	Regarding additional due diligence in collecting loans:	
	a.	Do the student loan application and exit interview forms contain sufficient "tracer" questions?	yes__no__
674.42(e) 674.43(a)(2)	b.	Are exit interview forms transmitted by mail to those borrowers who leave without the institution's knowledge?	yes__no__
P.L.99-498, sec. 485(b)	6.	Does the institution provide, as part of the exit interview, information on the average indebtedness of students who have Perkins Loans?	yes__no__
P.L.99-498, sec. 485(b)	7.	Does the institution provide, as part of the exit interview, information on the average anticipated monthly repayments, a review of the repayment options available, together with such debt management strategies the institution determines are designed to facilitate repayment?	yes__no__

Other Recommended Good Practices for the Administration of the Perkins Loan Program

1. Before disbursing any loan funds to the student, it would be beneficial for the institution to have one of its employees meet personally with the student to ensure that the borrower understands his/her responsibilities (entrance interview).

2. Documentation that exit counseling has been conducted should be maintained in the student's file.

Guaranteed Student Loan, SLS and PLUS Programs

General:

P.L. 99-498 Sec. 485(b)	1.	Does the institution provide exit counseling to all GSL and SLS borrowers?	yes__no__
682.610(b)	2.	Is all required information retained for each GSL, SLS or PLUS recipient?	yes__no__

Special Provisions for School Lenders:

NOTE: All participating institutions must comply with the general provisions outlined above. The following special provisions are in addition to the general provisions and apply only to institutions which are lenders under the program.

P.L. 99-498 Sec. 433	1.	Is the institution familiar with and following the expanded disclosure requirements as enumerated in the Higher Education Amendments?	yes__no__

682.505(f)	2.	If the amount of the insurance premium is charged to the student or deducted from the loan proceeds, is the student fully informed of the amount of this premium and the method of calculation?	yes__no__
P.L. 99-498 Sec. 428(b)(1)(M), 428A(c), 428B(c)	3.	Does the institution attempt to meet with the borrower to ensure that he/she understands his/her rights and obligations before making an initial disbursement? (Note: This is encouraged but not required).	yes__no__
P.L.99-498, Sec.487(a)(9)	4.	Does the institution inform GSL and SLS borrowers of the availability of state grant funds from the state in which the institution is located, and does it inform out-of-state borrowers of the source of information for grants from their states? (Effective 10/17/86.)	yes__no__
P.L.99-498, Sec.485(b)	5.	Does the institution counsel borrowers prior to the completion of their courses of study regarding average indebtedness, anticipated monthly repayment, repayment options, and debt management strategies?	yes__no__
P.L.99-498 and P.L.100-50, sec.428(b)(1)(P)	7.	Does the institution promptly notify the lender, directly or through the guarantee agency, of any change in the student's permanent address or status?	yes__no__

HEALTH & HUMAN SERVICES PROGRAMS

Health Professions Student Loan Program

P.L. 99-129 Sec.745(a) 57.208(c)	1.	Is the institution providing the required disclosures prior to disbursement of the loan?	yes__no__
57.210(b)	2.	Is the institution conducting appropriate entrance and exit interviews?	yes__no__

Health Education Assistance Loan (HEAL) Program

60.53	1.	Does the institution notify the holder of a student's HEAL loan (or the HEAL Program Office if the identity of the current holder of the loan is unknown) of any changes in the student's enrollment status within 30 days following the change in status?	yes__no__
60.61(a)(1)	2.	Does the institution conduct and document an entrance interview with each student, individually or in groups, prior to the first HEAL disbursement of the academic year?	yes__no__

60.61(a)(2)	3.	Does the institution conduct and document an exit interview with each borrower, individually or in groups, within the final academic term prior to his or her anticipated graduation or other departure date from the school?	yes__no__
60.61(a)(1)&(2)	4.	Does the institution maintain the "personal information" collected during the entrance and exit interviews as part of the student's record?	yes__no__
60.61(a)(2)	5.	Does the institution mail exit interview information to students who do not receive the exit interview within 30 days of the earlier of the institution's knowledge of the student's departure date, or the anticipated departure date, and request that required information from the student be forwarded by the student to the lender?	yes__no__
60.61(a)(7)	6.	Are procedures in place to notify the lender of any changes in the student's name, address, status, or other information pertinent to the HEAL Program within 30 days of receipt of such information?	yes__no__

Nursing Student Loan Program

Sec.57.310(b)	1.	Is the institution conducting appropriate entrance and exit interviews?	yes__no__

Other Recommended Good Practices for the Administration of the Nursing Student Loan Program

1. The institution should follow the HPSL requirements for disclosure prior to the disbursement of the loan.

Appendix P
Selected Loan Counseling, Debt Management, and Personal Financial Planning Resources

GAPSFAS Loan Counselor: IBM compatible software that can be used by the student alone or with a counselor to project repayment schedules, debt-to-income ratios, etc. For more information: College and University Programs; Education Testing Service; Princeton, NJ 08541-0001

Financial Monthly Payment Table per $1,000: A booklet that lists conversion factors to determine equal monthly repayments, annual repayments, total amount repaid, and total interest paid on loans with interest rates ranging from 1 percent to 35 percent (at 1/4 percent intervals) and repayment periods ranging from one month to 40 years (at monthly increments). For more information: Financial Publishing Company; 82 Brookline Avenue; Boston, MA 02215

Chase Student Loan Repayment Guide: Similar to the Financial Monthly Payment Table per $1,000, the guide is a pocketbook sized slide rule that can calculate estimates of repayments for loans with interest rates from 5 percent to 15 percent (at 1 percent increments) and repayment periods from one year to 20 years (at one year increments). For more information: Chase Manhattan Bank at 1/800/645-8308; in New York, 1/800/632-3219; in California, 1/800/645-8246

A Guide to Managing College Expenses: Staying on Top of the Bottom Line: A booklet produced by the National Educational Lending Center (NELC, a division of Marine Midland Bank), that has some good information on formulating and maintaining a budget. It has some useful worksheets. For more information: Marine Midland Bank, (DE) N.A.; NELC; 824 Market Street Mall; Wilmington, DE 19801

Educational Loans: It's Your Choice: A booklet created by the Massachusetts Higher Education Assistance Corporation Loan Counseling Task Force that helps students understand the concepts of decision-making, budgeting, alternatives to borrowing, planning, repayment of loans, and avoiding default. For more information: Loan Counseling Task Force; Massachusetts Higher Education Assistance Corporation; 330 Stuart Street; Boston, MA 02116

Informed Decision Making, Part I: A text designed for medical students, the contents of this booklet contains fundamentals of personal financial planning as well as debt management. The principles are useful for all students. For more information: National Medical Fellowships, Inc.; 254 31st Street; New York, NY 10001

Accept a Loan and Accept Responsibility: A series of short pamphlets on the many aspects of dealing with educational loans such as communicating with the lender, what happens when a loan is sold to a secondary market, keeping good records, etc. For more information: Calfornia Student Aid Commission; 1410 Fifth Street; Sacremento, CA 94245-0001

Student Loan Limits: Estimated Manageable Student Loan Limits for the Class Graduating in 1984 and the Class Entering in 1985: A paper by Dwight H. Horch which describes a model for quantifying manageable levels of indebtedness based on a number of factors including expected starting salary, growth of salary, inflation, and repayment schedule. Tables show how much a student may borrow depending upon degree program, discipline, expected income streams, and length of repayment period. For more information: College and University Programs; Education Testing Service; Princeton, NJ 08541-0001